MAY-12-97 16:33 From:DIANE COOPER 212-871-7004 T-893 P.01/07 Job-339

Memorandum

To: The Mayer Family

From: Alberto

Date: May 12, 1997

I am travelling today to California and have just learned of your plan to redeem. When I return on Wednesday, I will properly respond and at least convey a sense of what this decision will likely cost you, which in more detail will undoubtedly be millions.

It is unfortunate that you appear to rely on popular trade publications that have no record of managing money, as we do. They don't really know us but we are, nonetheless, highly flattered that the rapid growth of Amerindo has put us on their radar screen. Relying on Barron's or Business Week to guide your portfolio would be no different from relying on Vanity Fair or Cosmopolitan to be your doctor. They have just as many silly articles on health, curing cancer, etc., as Barron's does on money.

In the meantime, here are some timely facts.

1. The emerging technology sector, which we specialize in, measured by the Hambrecht & Quist Growth Index, ended an 11 month decline of 41% one week ago. Amerindo, as you know, did vastly better than the H&Q average during that period of decline.

2. In the last 6 comparable corrections, the H&Q Index rallied over 100% in the following 3 to 5 quarters after the decline ended. This is where we are today. Amerindo's recovery was higher than that of the H&Q Index over all the ensuing recoveries.

3. Barron's has chosen to focus on a new small fund, less than 1% of our assets, that was funded in the recent market decline and was not diversified, which is the way it was sold. It has already recovered over a

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third of its decline and will easily double from current levels, as will the offshore fund ATGF, which is fully diversified. Barron's and Business Week also chose to highlight a stock called Avant, which has been in civil litigation for 18 months. The judicial system in the US assumes innocence until proven guilty. The stock has nearly recovered all the way from the mid 20's to 9 to 20. We own 30% of the company, in which our initial cost was $7, which is still less than 3% of our assets. Guilt is absolutely not a foregone conclusion in this case. The company's business is exploding! We have felt the stock was worth between $40-$60 a share this year.

4. It really pains us to think that you will sacrifice in interest rates. We pay you the highest rate we pay any customer. The monthly withdrawal you take in advance makes the effective rate we pay you to be about 17-3/4%, rather than the 15% standard rate. You will probably revert to 7% now, anywhere else.

5. The statement I made to Barron's about our client base is absolutely accurate. We have a Blue Chip list of clients who aren't guided by scare stories in the media and thus redeem. In fact, about 18% of our clients increased the amount of money they have with us in the first quarter. Incidentally, Amerindo had a private valuation placed on it last year of about $100 million. More recently, an unsolicited offer has come forth in a range that is almost double that amount. Bottom line is that you seem to be the only ones unduly concerned about the normal, historic volatility in our sector, which we've lived with for the 16 years we've been in business, during which we compiled the best record in equities in the industry.

Finally, needless to say we have truly valued you as a client, which is why we paid you the highest interest rate any client received. Your $10 cost in ATGF shares means you had over a 2-1/2 times appreciation before the market correction. I personally have shied away from meeting with you on a regular basis, because I assumed you were more interested in details I am not involved with, such as statements, payment dates, etc. I now specialize in the investment outlook. I will sorely miss you all, Dr. Mayer, Lisa and Deborah, as long valued clients, and so I hope I can convince you to reconsider your decision.